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SUBJECT: MACAU SPECIAL ADMINISTRATIVE REGION AT 10: DESPITE  
CRACKS, ESTABLISHMENT REMAINS SOLID

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Classified By: Acting Consul General Christopher Marut for reasons 1.4(  
b) and (d).

¶1. (C) Summary and comment: Ten years after reversion, Macau remains politically conservative and largely under the sway of the same entrenched, "patriotic" business and political elite that has essentially run Macau since the late 1960s. While Beijing has shown a low tolerance for public corruption, it appears to prefer an imperfect political status quo to dynamic change. Macau people remain generally content and largely politically apathetic. While interest in politics has increased, there is no clear movement towards political reform. End summary and comment.

¶2. (C) This is the first of two analytical cables examining Macau's development on the occasion of the tenth anniversary of its December 20, 1999 return to Chinese rule; the other will examine economic issues.

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Change Flags, Change Names, Change Nothing  
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¶3. (C) The Macau that Beijing took back in name on December 20, 1999 was much the same as the one it had ruled in fact since the late 1960s. At that time, a tottering Portuguese regime under siege by Cultural Revolution-inspired protests turned to three senior Macau "patriotic" business clans -- the Ho's (whence came future Chief Executive Edmund Ho Hau-wah), the Ma's, and the Chui's (whence came CE-designate Fernando Chui Sai-on) -- to mediate. The three families restored the peace, but the capitulation of the Portuguese to protester demands, followed by the rapid decolonization effort after the fall of Salazar in Portugal, meant that the Portuguese were marking time until a mutually acceptable exit could be negotiated with Beijing.

¶4. (C) It was during this twilight period that traditional associations -- "patriotic" organizations representing key business and social sectors -- came to dominate civil society, running patriotic schools, trade unions, and social welfare organizations. In the SAR era, these associations have dominated elections for both directly- and indirectly-elected legislative seats, ensuring comfortable majorities for the government to pass its legislative program. The Catholic Church, the only institution that can rival the traditional associations in providing education and social services, has no real political profile (although it remains a key constituency). While the government does not actively restrict the media, it also doesn't have to -- most outlets would fold without government subsidies. Most civil society organizations similarly subsist on the dole.

¶5. (C) On the positive side, Macau followed post-Salazar Portugal in taking the first steps towards social reform, including directly-elected legislators starting from the mid-1980s. The Portuguese administration actively recruited Macau-born students to return from overseas to help develop the territory. Results lagged behind aspirations, however, leaving institutional capacity in most areas extremely low at the time of the handover. Macau since 1999 has remained critically short of trained local civil servants and legal professionals. Many policy bureaux still include Portuguese nationals, and Portuguese lawyers still dominate the legal field.

¶6. (C) Edmund Ho Hau-wah seems to have been almost the only choice for Macau's first Chief Executive (CE), and he still possesses a stature none of his would-be successors can match. Born into one of Macau's leading political clans, Ho managed to keep the establishment and the casino magnates (the other Ho clan, the Foks and the Chows) on board when Macau opened the gaming market to competition in 2002. If not for the 2007 fall of Secretary for Transportation and Public Works Ao Man-long on corruption charges in a scandal that threatened to engulf Ho himself, Ho would have left office as the fair-haired CE whom Beijing held up to Hong Kong as a model. As it turned out, many observers regarded Ho as on life-support through his last months, with successful passage of Article 23 national security legislation among the penance Beijing set for him.

¶7. (C) Beijing's concerns about public corruption in Macau fed rumors that Macau Prosecutor General Ho Chio-meng might be tapped to succeed Edmund Ho as a warning to wrong-doers. In the end, a flawed but familiar status quo apparently

looked better than change by fiat. Macau people assumed any contender for the CE-ship would only declare himself with Beijing's approval, which in turn meant that Beijing consciously chose to allow Fernando Chui Sai-on to run unopposed. The decision to retain Edmund Ho's cabinet largely intact under the Chui administration supports the idea that Beijing wants more of the same.

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Guarding a Dying Flame  
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¶8. (C) Portuguese language and culture never achieved the penetration into Macau society that English did in Hong Kong, and the Portuguese and Chinese communities lived almost separate existences. The bridge between the two was provided by the Macanese -- people either of mixed heritage or whom consciously chose to acculturate with the Portuguese. While many Macanese are still active in public life (Secretary for Administration and Justice Florinda Chan being a prominent example), Macau's commitment to preserving its Portuguese heritage seems largely pro forma. Many senior officials speak Portuguese poorly if at all, and educated Macau people are more likely to speak English. While Portuguese dominates the legal field (for now), and the Portuguese press is largely held to be the most probing and critical in Macau, the community tending the Portuguese flame is small, and its influence is marginal at best.

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Majority Silence  
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¶9. (C) One essential ingredient in a political system which perpetuates an established elite is a population that is sufficiently content to remain disinterested. Macau's economy is healthy enough to maintain almost full (if not always high-quality) employment and to generate revenue surpluses sufficient to fund repeated cash handouts. Macau people may not all be rich, but they can get by, and the booming economy means that many are doing better than ever. Demographically, political-age Macau residents are largely Mainland-born or of the first generation born in Macau, leaving them far more "patriotic" and favorably disposed

toward Beijing. They are also less immediately interested in politics, although they turn out in respectable numbers for elections.

¶10. (C) With the last days of Portuguese rule marred by corruption and triad-related violence, many saw the coming of the PRC as heralding a return to law and order, and it generally has been. Macau's weak governing capacity has meant Beijing can be more open about its role in Macau, which is commonly held to extend to day-to-day guidance of the SAR Administration. We doubt Beijing actually gets down that far into the weeds, but we expect the process of consultation is more direct than may occur in Hong Kong, where there are more "one country, two systems" hawks keeping tabs on the government.

¶11. (C) Perhaps the best illustration of this trend was the public's reaction to Article 23 national security legislation passed in February 2009. One poll, conducted in late 2008 by influential "traditional association" the Macau General Union of Neighborhood Associations, showed support for the law running at 92 percent. Sixty-five percent, however, admitted to not knowing the details of the text.

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First Buds of Spring?  
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¶12. (C) Macau society's contented apathy showed the first signs of change in the runup to the September Legislative Assembly (LA) elections. With only twelve of the LA's twenty-nine seats up for direct election, and the ten indirectly-elected seats decided before the election, nothing that happened September 20 was ever likely to bring substantive change to Macau politics. That said, there was a palpable buzz that many took as the first sign that the Macau people might stand up.

¶13. (C) Political debate increased in the months leading up to both the CE and LA elections, but much of it took place in the comfortable anonymity of cyberspace or talk radio. A new organization, Civic Power, tried to position itself as the voice of a modern middle class, independent of both the government-business collusion of the establishment and the "confrontational" tactics of Macau's established

pro-democracy movement, the New Macau Association (NMA). Three of the political movements able to contest seriously the direct elections for the LA made a transition to universal suffrage a core element of their platform.

¶14. (C) In the end, however, only NMA gained an additional seat. Its principal pan-democratic competitor, representing Macau civil servants, managed only to return its single incumbent, while Civic Power failed to take a seat. Analysts judge that, while there are more individuals interested in politics than in past, they represent no single group or political tendency. Moreover, democracy trails behind anger over corruption and concern that increasing numbers of foreign workers are taking jobs from Macau people as a spur to political participation. That said, turnout for the 2009 LA elections approached 60 percent, a Macau record and perhaps the most hopeful sign Macau people are becoming more interested in how they are governed.

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